

JUL 29 2003

THE NEWSLETTER FOR COMPETITIVE COMMUNITIES

Illinois Department of Commerce and Economic Opportunity

Winter/ Spring Issue 2003

UNIVERSITY OF
AT URBANA-CHAMPAIGN

Rod R. Blagojevich, Governor

Jack Lavin, Director

New Name and New Director

The Department of Commerce and Community Affairs (DCCA) is now The Department of Commerce and Economic Opportunities (DCEO). The name is being changed to better describe the role of the agency.

The new director, Jack Lavin, brings 17 years of experience and a record of job creation and financial management in the Chicago business world and Illinois State government. He is a resident of Chicago's Northwest side and is married with two children.

Prior to being named Director of the Illinois Department of Commerce and Economic Opportunities, Lavin worked as Chief Financial Officer (CFO) for Rezko Enterprises. As CFO he was directly responsible for financial operations, accounting, budgeting, capital planning, banking, new site development and construction.

From 1993 to 1995, he served as Deputy State Treasurer for the State of Illinois. In that position he was accountable for all investment strategies and programs in the Treasurer's \$5 billion annual investment portfolio.

Resource Library

The CCI Program has created a library of books and videos which is being made available to communities. The library contains books on everything from refurbishing buildings to working with volunteers. Since we have only a few copies of each book and in order for everyone to have access to the information, they can be "checked out" for up to 2 months.

Two videos pertaining to economic development, *The Right Stuff* and *Using Tax Increment Financing*, are also available. *The Right Stuff* discusses what businesses look for when choosing a location to start a new business. *Using Tax Increment Financing* gives tips on what a TIF district can do for a community. Several copies of each video are available and do not have to be returned.

The Rural Development Resource Guide, Summer 2002, published by the Illinois Institute for Rural Affairs at Western Illinois University, is also available. This guide covers state, federal and private programs which are available to rural communities. Several copies are available and do not have to be returned.

For a list of available books or to order a video or resource guide, please e-mail Diann Reed at dreed@commerce.state.il.us. All books and videos are available at no charge.

Application Workshops

Application Workshops were held March 5 in Mt. Vernon, March 6 in Springfield and March 7 in Starved Rock. The workshops were well attended with approximately 65 communities represented. New communities will be announced this fall.

Workshops

Two workshops have been planned as a result of the survey distributed last summer. The first workshop, "Planning and Zoning" will be held April 30 at the Starved Rock State Lodge. Clyde Forrest, JD, Department of Urban and Regional Planning at the University of Illinois, Champaign, will present the program. Topics to be covered will include: planning law updates, why have planning and zoning?, implementing ordinances, and keeping planning current, to name a few. Invitations and registration information have been mailed.

The second workshop, "Grant Writing and Resources" will be held on May 28 at the Northfield Center in Springfield. Illinois State University in Normal will present the program. Topics include: tips for grant writers, search strategies and resources, understanding grant guidelines and identifying grant sources. Invitations and registration information will be mailed at the end of April.

Events

- Planning and Zoning Workshop, April 30, 2003, Starved Rock State Lodge, Utica
- Grant Writing and Resource Workshop, May 28, 2003, Northfield Center, Springfield
- Leadership Conference, June 10, 2003, Hawthorne Suites, Champaign
- Southern Illinois Economic Development Council Conference, Fall, 2003, Rend Lake Resort.

For more information, please call Diann Reed, CCI Manager, at 217/558-4223 (TDD: 217/785-6055).

Words of Wisdom

Plan for the future, because that's where you are going to spend the rest of your life!

Mark Twain

Have an idea or an article you'd like to submit! Please contact Diann Reed, CCI Manager at 217/558-4223. (TDD: 217/785-6055).



Illinois Department of
Commerce and Community Affairs
620 East Adams Street
Springfield, Illinois 62701

PRSR STD
U.S. POSTAGE

PAID

Springfield, IL
Permit No. 530

THE NEWSLETTER FOR COMPETITIVE COMMUNITIES

Illinois Department of Commerce and Economic Opportunity

Rod R. Blagojevich, Governor

Summer Issue 2003

Jack Lavin, Director

ILLINOIS
DEPOSITORY

SEP 10 2003

CCI Community Workshop Survey

The results are in from the Workshop Survey which was mailed in June. Thanks to all 214 of you who responded. The most requested topic was Business Retention and Recruitment with Department of Commerce and Economic Opportunity programs second. Workshops are being planned! Invitations will be mailed when locations and dates have been determined. Fifty-two write-in topic suggestions were made. Since we are unable to hold a workshop for each suggested topic, some topics will be discussed in this and upcoming newsletters.

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

Survey Topic Suggestions

Assistance in Training Local Officials, Municipal Finance and Municipal Finance Management

Department of Commerce and Economic Opportunity (DCEO)
The Office of Local Government Management Services provides municipalities with assistance on a variety of topics including: budget and financial management, appropriation and tax levy ordinances, and truth in taxation requirements. They also provide publications such as the Municipal Finance Series Manual, Property Tax Rate Levy Manual and township forms. For more information call Troy Markert at 217/558-2859 or Rick Turner at 217/558-2860.

Illinois Municipal League (IML)

The IML provides yearly conferences to assist local municipal officials. This year's conference is being held in Chicago, September 18 - 21. The conference covers a wide variety of sessions such as, Overview of State Collected Municipal Revenues and Survival Tips for Municipal Officials 60 Tips in 60 Minutes. The IML also holds training sessions for newly elected municipal officials. For more information contact the IML at www.iml.org or 217/525-1220.

Illinois Office of the Comptroller

The Comptroller's office can provide assistance to units of local government with the reporting requirements for the Annual Financial Report (AFR). For more information contact the Comptroller's office at www.ioc.state.il.us.

Township Officials of Illinois (TOI)

For township questions contact the Township Officials of Illinois at www.toi.org.

There are many other sources available that can provide assistance. If you have specific question and don't know who to ask, call Troy or Rick. They'll be glad to help!

How to get your community information listed with DCEO and others

The Department of Commerce and Economic Opportunity maintains a data base of community profiles. The community profiles contain information such as the location of the nearest airport, hospital and interstate, and available infrastructure. The information contained in the profiles is used to assist potential businesses looking to locate in Illinois. Small communities are just as important as large communities as some potential employers are looking for rural settings. In order to get useful information on a region, small communities need to participate.

Another important tool used by DCEO is the Building and Sites Profile. If a community has an available commercial building site or a vacant commercial building, the information should be provided to DCEO. This information is used to assist potential businesses in locating suitable building sites and buildings.

It is very important that both of these profiles be kept up to date. Information should be updated at least once a year and more often if changes occur such as the sale of a vacant building. Plans are being made to place the forms and instructions for the profiles on the DCEO web page. When this is completed, communities will be able to download and complete information or input information on line.

For more information contact Tom Hamrick. His phone number is 217/785-6167 and e-mail address is tom_hamrick@commerce.state.il.us. Tom has profile forms available and can assist you with completing the forms.

Events

- Southern Illinois Economic Development Council Conference, September 9 & 10, 2003, Rend Lake Resort.
- Illinois Municipal League Conference, September 18 - 21, 2003, Chicago Hilton
- Illinois Development Council Conference, October 1 - 3, 2003, Northwest Hotel, Arlington Heights
- 4th Annual Telecommunications Conference, November 20 - 21, 2003, Public Affairs Center, University of Illinois Springfield.

For more information, please call Diann Reed, CCI Manager, at 217/558-4223 (TDD: 217/785-6055).

Have an idea or an article you'd like to submit! Please contact Diann Reed, CCI Manager at 217/558-4223. (TDD: 217/785-6055).

Department of Commerce & Economic Opportunity
620 East Adams
Springfield IL 62701

PRSRT STD
U.S. POSTAGE

PAID

Springfield, IL
Permit No. 530

THE NEWSLETTER FOR COMPETITIVE COMMUNITIES

Illinois Department of Commerce and Economic Opportunity

Rod R. Blagojevich, Governor

Fall Issue 2003

Jack Lavin, Director

ILLINOIS
DEPOSITORY

NOV 14 2003

Survey Topic Suggestions

This newsletter addresses suggested topics from the Workshop Survey concerning housing. Many thanks to Sheldon Keyser, USDA Rural Development, for writing this article.

Attracting Affordable Housing Developers Through Incentives

More communities are now viewing affordable housing development as a critical economic and community development activity. The average home built today in America has about 2300 square feet of living space and costs \$206,000. This makes today's new home affordable to only the top 25% of the wage earners in the country. With growing populations and an increasing shortage of affordable housing the average wage earner can't afford to live in some communities. This may result in a workforce shortage and continued loss of youth-who go off to college and never return.

A major problem community's encounter is a shortage of developers who are willing to build more affordable homes. Finding and attracting developers can be a challenge and more are developing incentives to make their community more appealing to developers. Historically the relationship between communities and developers has been tenuous at best. Communities typically required developers to build streets, install utilities, to pay hefty utility connection charges and building permits. Successful communities have changed their views on new housing development and become less demanding. They consider the developer as a partner. The following is a list of incentives some communities have developed to promote affordable housing development:

- Community support: Developers do not want to get involved in major controversies. One of the best things any community can do is to build community support for affordable housing development.
- Know what kind of housing is needed and how much: Developers shy away from uncertainty. A community that has assessed their needs, whether it is elderly housing for an aging population, or homes for first time home buyers, and determined how many units can be readily marketed is better equipped to attract developers.
- Available land: Communities have provided free building sites, low cost building sites, or just made sure that land, at reasonable cost is available. Don't expect a developer to find building sites if none are available.
- Make off site improvements: More communities are providing utilities and roads or road improvements to building sites. Some have established TIF districts so that developers can recapture costs over time through increased real estate taxes.
- Reduced utility and permit charges: Reduced connection fees, free utilities during construction and even free utilities for a limited time to the home buyers are used by some communities.
- Marketing assistance: One community actively assisted in marketing new homes and even went so far to guarantee the developer they would purchase any new home that went

unsold for more than 90 days. This community never had to purchase a home since they were usually sold before construction was completed.

- **Financing:** Communities have built partnerships with local lenders, state and federal agencies, and local revolving loan programs to provide adequate and affordable financing to developers and to home buyers.
- **Home buyer counseling:** Today's home buyer is apt to have more credit problems. Communities that have supported home buyer counseling have seen good results—homebuyers are more likely to have loan applications approved.
- **Standard building codes:** Developers prefer standard building codes so that all proposals meet the same criteria.
- **Zoning:** Some zoning is exclusionary to affordable housing and imposes costly requirements. Developers and home buyers prefer the protection that zoning provides but requirements should be reasonable.

Most developers are honest, their integrity and pride of accomplishment are their stock in trade. However, they must make a profit to survive and they are not willing to take excessive risks. Regardless of the incentives provided, communities that understand the developer's point of view and work with them are likely to be more successful. Once a developer expresses interest the prudent community will check them out—visit completed projects and visit with leaders in locations the developer has been. Honest developers will welcome and even encourage this.

Once a community assesses its needs and develops the incentives it can offer, the next step is to put that information in the hands of potential developers. Local and statewide home builder's associations, contractor's organizations, local and statewide Realtor's associations are good places to start. A Request for Proposal needs to be written that gives prospective developers good information. Here is a sample:

City of Anywhere, Illinois Seeking Housing Developer: The City Council of Anywhere, IL is seeking a developer to partner with to develop xxx units of assisted living and xxx homes of affordable homes. Land is available at reasonable cost and the City will provide all off site improvements, provide free utilities during construction, assist in arranging financing, and assist in marketing. A strong demand for the proposed does exist and community support is exceptional. Any developer interested in working with the city is encouraged to contact xxx at 555-555-5555 for more information. Potential developers will be asked to provide a statement of experience with references.

(Information on incentives for this article were obtained from successful communities, developers, and the Home Builders Association of Illinois.)

by Sheldon Keyser, CECd, USDA Rural Development

IL Dept. Of Commerce & Economic Opportunity
620 East Adams
Springfield, IL 62701

PRSRT STD
U.S. POSTAGE

PAID

Springfield, IL
Permit No. 530